



News Release

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Economic Indicators Moderate Slightly for Iowa Companies *Iowa Business Council Releases Fourth Quarter Economic Outlook Survey Results*

Des Moines, Iowa – (December 1, 2006) – “Cautious optimism” is the outlook for the state’s economy as the members of the Iowa Business Council (IBC) consider their prospects for the first half of 2007. The IBC Economic Outlook Survey was conducted during the second and third week of November, the results of which were released today.

Levels for all three indicators – sales, capital spending, and hiring – are lower than the survey results from last quarter as well as the results of one year ago. However, 100% of all 20 of IBC’s corporate members surveyed expect to increase or maintain employment levels over the next six months. Projected employment levels remain consistent with survey results from last quarter and reflect a 5% increase in hiring levels forecasted a year ago.

The most notable decline for the next six months is in the sales outlook. Fifty-five percent of the executives expect an increase in sales during the first two quarters of 2007 compared with 90% who had forecasted higher sales levels last quarter and twelve months earlier on December 1, 2005. Ten percent of the CEOs predict a decrease in sales over the next six months.

Forty percent of the CEOs expect to increase capital spending levels during the first half of 2007, which is down 20% from both last quarter and one year ago. Ten percent of the CEOs predict a decrease in capital spending over the next six months.

	Increase			No Change			Decrease		
	2006		2005	2006		2005	2006		2005
	Q4	Q3	Q4	Q4	Q3	Q4	Q4	Q3	Q4
1. Change in sales in next 6 months?	55%	90%	90%	35%	10%	10%	10%	0%	0%
2. Change in capital spending in next 6 months?	40%	60%	60%	50%	35%	35%	10%	5%	5%
3. Change in hiring levels next 6 months?	45%	55%	50%	55%	45%	45%	0%	0%	5%



Max Phillips, Chair of the Iowa Business Council and President of Qwest-Iowa, said, “With growth trends of the U.S. economy showing signs of moderation, the strength and diversity of the Iowa business community will help our state manage periods of economic uncertainty. As opportunities in advanced manufacturing, agri-bio business, and information/financial services continue to develop, Iowa companies are nurturing a cautious optimism for their prospects in 2007. Generally speaking, Council members are up-beat about the future, yet remain focused on resolving issues that are essential to the continued long-term progress and success of our companies and their employees in this state.”

The Economic Outlook Survey is conducted quarterly by the Iowa Business Council to help inform Iowans and Iowa businesses about projected trends in the state’s economy, which may prove useful for business and economic planning purposes.

Founded in 1985, the Iowa Business Council is a non-profit, non-partisan, self-funded organization whose members include the top executives of 20 of the largest businesses in the state, the three Regent university presidents, and the state’s largest banking association. Collectively, these companies and institutions employ more than 180,000 Iowans and have made over \$25 billion worth of capital investments in the state. The purpose of the Council is to engage the personal commitment of these executives in active leadership roles on major initiatives that offer opportunity to enhance Iowa’s overall economic vitality. For more information, please visit our Web site at www.iowabusinesscouncil.org.

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Iowa Business Council Economic Outlook Survey Historical Perspective Comparison of Survey Results: 2004Q3 – 2006Q4

	<u># of respondents</u>	<u>Expected Sales</u>		
		<u>Higher</u>	<u>No change</u>	<u>Lower</u>
2006 Q4	20	55%	35%	10%
2006 Q3	20	90	10	0
2006 Q2	19	95	5	0
2006 Q1	20	85	15	0
2005 Q4	20	90	10	0
2005 Q3	19	84	16	0
2005 Q2	19	89	6	6
2005 Q1	19	78	22	0
2004 Q4	17	79	14	7
2004 Q3	18	78	17	5



	<u># of respondents</u>	<u>Expected Capital Spending</u>		
		<u>Higher</u>	<u>No change</u>	<u>Lower</u>
2006 Q4	20	40%	50%	10%
2006 Q3	20	60	35	5
2006 Q2	19	58	42	0
2006 Q1	20	60	40	0
2005 Q4	20	60	35	5
2005 Q3	19	74	21	5
2005 Q2	19	50	44	6
2005 Q1	19	53	47	0
2004 Q4	17	64	29	7
2004 Q3	18	39	56	5

	<u># of respondents</u>	<u>Expected Iowa Employment</u>		
		<u>Higher</u>	<u>No change</u>	<u>Lower</u>
2006 Q4	20	45%	55%	0%
2006 Q3	20	55	45	0
2006 Q2	19	58	42	0
2006 Q1	20	65	35	0
2005 Q4	20	50	45	5
2005 Q3	19	53	32	15
2005 Q2	19	50	44	6
2005 Q1	19	68	26	6
2004 Q4	17	64	22	14
2004 Q3	18	50	28	22